

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 7543-AG08-1031-272

IN THE MATTER OF:

US MEDPLAN ASSOCIATION HEALTH BENEFITS
PO Box 1779
Chino Hills, CA 91709

REAL BENEFITS ASSOCIATION, a/k/a RBA
118A Fulton St., Box 138
New York, NY 10038

AMERICAN TRADE ASSOCIATION, a/k/a ATA
www.atafirst.com

SERVE AMERICA ASSURANCE, LTD
Address Unknown

Type of Action: Enforcement

FILED

NOV 07 2008

STATE OF INDIANA
DEPT. OF INSURANCE

MOTION FOR EMERGENCY CEASE AND DESIST ORDER

The Enforcement Division of the Indiana Department of Insurance, pursuant to Indiana Code 4-21.5-4, Indiana Code 27-1-34-1 et seq. and Indiana Code 27-4-5 et seq., files its Motion for an Emergency Cease and Desist Order against U.S. Medplan Association Health Benefits, Real Benefits Association, American Trade Association and Serve American Assurance, LTD, (known collectively hereafter as "Respondents") and states:

1. The Consumer Protection Unit of the Indiana Department of Insurance ("CPU") received a complaint against the Respondents from Erin Lutz. Ms. Lutz indicated she had enrolled in the American Trade Association, thereby qualifying her for participation in their group health insurance plan referred to as US Medplan Association, on August 5, 2008. Ms. Lutz was told by the US Medplan

Association representative, Michael Lopez, that coverage would be provided effective September 1, 2008.

2. As part of the enrollment and application process, Ms. Lutz agreed to have premiums automatically withdrawn from her checking account. Respondent US Medplan withdrew funds totaling \$338.00 from Ms. Lutz's account on August 11, 2008. A second withdrawal was made on September 5, 2008 for \$213.00. However, after repeated calls and requests to their customer service phone numbers, Ms. Lutz had not received proof of insurance from Respondents US Medplan or American Trade Association.

3. On September 5, 2008, Ms. Lutz was taken to the hospital emergency room for treatment of a medical condition. Ms. Lutz believed she was covered through the healthcare plan she had purchased. However, Respondent US Medplan has since told Ms. Lutz her policy was not in effect until September 15, 2008 and that coverage would not be provided for the incident.

4. A review of the materials submitted by Ms. Lutz and a search of several internet sites indicate Respondents Real Benefits Association and American Trade Association are membership associations that solicit and provide health insurance coverage provided through US Medplan Association Health Benefits. Solicitation materials indicate the plans are underwritten and fully insured by Serve America Assurance, LTD. The associations also utilize the third party administration services of Association for Lifestyle Reform and Smart Data Solutions, LLC.

5. On October 22, 2008, the CPU mailed to Respondent US Medplan Association a request for response to Ms. Lutz complaint via certified mail number 7004 1160 0000 3841 2203. To date, a response has not been received (Exhibit A, attached hereto).

6. A search of the licensing and registration information database for the Indiana Department of Insurance reflects no registration or certificate of authority on file for any of the

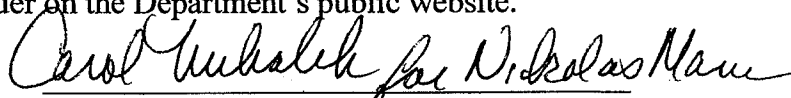
Respondents. The failure to be properly registered and authorized to transact business in Indiana is in violation of Indiana Code 27-17-2-1.

7. An emergency exists in that Respondents are offering a "discount health savings plan" to Indiana insurance consumers in violation of Indiana Code 27-17-4-1(B) and there is no registration or asserted exemption from Respondents.

8. Under Indiana Code 4-21.5-4-2(a)(1), the Commissioner may, in an emergency, issue orders without notice or an evidentiary proceeding. Upon issuance of an emergency order, the Respondent may request a hearing as quickly as practicable under Indiana Code 4-21.5-4-4.

9. The Respondents should be required to cease to transact any kind of insurance business or offer a discount health plan in Indiana until the Department can be sure that Respondents can practice in a legal, reasonable and responsible manner.

WHEREFORE, the Enforcement Division requests that the Commissioner issue an Emergency Cease and Desist Order against the Respondents under Indiana Code 4-21.5-4-2, and for all other necessary and proper relief. Due to the fact that some of Respondents' addresses are unknown, and that efforts to ascertain them have failed, the Enforcement Division further requests that service on Respondents be accomplished by posting this Order on the Department's public website.


Nikolas P. Mann, #26665-29
Enforcement Division

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